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4 Attorney for Debtor-In-Possession,
5 PSG MORTGAGE LENDING CORP., a Delaware
Corporation

1 as the matter may be heard, before the Honorable Dennis Montali, United States Bankruptcy
2 Judge, at 450 Golden Gate Avenue, 16th Floor, Courtroom 17, in San Francisco, California.
3 Opposition to the Motion, if any, must be filed with the Court and served upon the undersigned
4 at least seven (7) calendar days prior to the hearing. Copies of the Motion are available upon
5 request by contacting the undersigned.

6 **PLEASE BE FURTHER ADVISED** that pursuant to this Court's Eighth Amended
7 General Order 38, the hearing will not be conducted in the Presiding Judge's Courtroom, but
8 INSTEAD WILL BE CONDUCTED BY TELEPHONE OR VIDEO:

9 "All interested parties should consult the Bankruptcy Court's website at
10 www.canb.uscourts.gov for information about court operations during the COVID-19 pandemic.
11 The Bankruptcy Court's website provides information regarding how to arrange a telephonic or
12 video appearance. If you have any questions regarding how to appear at a court hearing, you may
13 contact the Bankruptcy Court by calling 888-821-7606 or by using the Live Chat feature on the
14 Bankruptcy Court's website."

15 **PLEASE TAKE FURTHER NOTICE** that Information regarding Clerk's office Intake
16 Counter hours of public operation, the electronic submission of documents, mailing addresses and
17 the location of drop-boxes is available on the Court's website home page under the banner "Court
18 Operations during the COVID-19 Outbreak Information about Hearings, Filings, and Operations":
19 <https://www.canb.uscourts.gov/content/page/court-operations-during-covid-19-outbreak>.

20 As discussed more fully in the Motion and herein below, the public will have an
21 opportunity to submit overbids for the purchase of the Sea Cliff Avenue Property at the time and
22 place of the hearing, unless the Court orders otherwise.

23 **NOTICE IS FURTHER GIVEN** that the Motion requests approval of the following
24 bidding and sale procedures to be used at the auction:

25 1. The auction shall be held on April 22, 2022 at 10:30 a.m., or as soon thereafter
26 as it may be held, via zoom video or telephone, in the courtroom of the Honorable Dennis
27 Montali, at 450 Golden Gate Avenue, Courtroom 17, in San Francisco, California, or at another
28

time or location if ordered by the Court and announced at the aforesaid time and place.

2. The minimum starting overbid is \$13,500,000.00 (together with payment of the transfer tax, as noted), with minimum increments thereafter of \$50,000.00.

3. **The deadline for submitting qualified overbids is 12 noon on April 15, 2022.**
Overbids must be submitted in writing on terms equal to or better than the proposal from the Buyer, e.g., all cash and close of escrow within 30 days of Court approval, on an “as-is, where is” basis, with no warranties or representations. This includes an acceptance by the Buyer of all responsibility for permits and work on the cliff side and the staircase to the beach along with any remaining issues with the City/County of San Francisco. Any overbidder should contact Julian Bach, Counsel for the Debtor, at (714) 848-5085 or by email (Julian@jbachlaw.com) or the Estate’s real estate broker, Mark Allan Levinson, COMPASS (mark@markallanlevinson.com); (415) 441-5500.

4. The Debtor will only consider overbids from qualified buyers. Prior to overbidding, an overbidder must demonstrate the ability to close the transaction to sole and complete satisfaction of the Debtor and provide a non-refundable deposit (if the successful bidder) of \$390,000.00. In the event a qualified overbidder or overbidders is obtained, an auction will be held on April 1, 2022. Qualified overbidders may participate by Zoom video or telephone.

5. Secured creditors shall be afforded any rights to credit to which they are otherwise entitled under the Bankruptcy Code and applicable law.

6. The sale of the Sea Cliff Avenue Property free and clear of any liens or interests is on an "as-is, where is" basis, with no warranties or representations. This includes an acceptance by the Buyer of all responsibility for permits and work on the cliff side and the staircase to the beach along with any remaining issues with the City/County of San Francisco.

7. All bids shall be on terms equivalent to or better than the terms provided in the Purchase and Sale Agreement, including terms with respect to due diligence, inspections, contingencies and the time for closing.

1 8. The highest and best bid shall be reduced to a written agreement on or before
2 three (3) calendar days following the hearing on approval of the sale. At auction, the Debtor may
3 accept the next highest and best bid as a backup bid, with the consent of the bidder, which shall
4 be approved to the same extent as the winning bid provided that the backup bidder need not fund
5 the deposit until requested by the Debtor and a sale to the backup bidder will be consummated
6 only if the Debtor determines that the sale to the winning bidder has failed.

7 **NOTICE IS FURTHER GIVEN** that the Motion requests a determination that the
8 Buyer, or the successful bidder, is a good faith purchaser within the meaning of, and entitled to
9 the protections of, Bankruptcy Code Section 363 (b) and (f).

10 **NOTICE IS FURTHER GIVEN** that the Motion requests authority to pay the
11 commission of the Debtor's broker, COMPASS, which is 2.5% of the gross purchase price.

12 **NOTICE IS FURTHER GIVEN** that the motion requests that the stays imposed by
13 Rule 62(a) of the Federal Rules of Civil Procedure and Rule 6004(h) of the Federal Rules of
14 Bankruptcy Procedure be waived.

15 Dated: March 23, 2022

LAW OFFICE OF JULIAN BACH

16 By: _____
17 
18 JULIAN BACH, ESQ.
19 Attorney for Debtor
20 PSG MORTGAGE LENDING CORP., a
21 Delaware Corporation